MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

PLC0015 – INTRODUCTION TO COMMERCIAL LAW

(All Sections/ Groups)

7 March 2017
2:30 p.m. – 4:30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of Five (5) pages.
2. Answer **All** questions.
3. All answers should be written in the Answer Booklet.

SECTION A: TRUE/FALSE QUESTIONS [15 MARKS]

(State whether the following statements are true or false. Indicate a true statement with "TRUE" and a false statement with "FALSE".)

1. The law plays a very important role in changing and controlling societal behaviour.

2. The following are the characteristics of law today: it is a collection of rules that are recognised by and binding upon members of society, it is an instrument of social control, it is the will of the sovereign and is backed by sanctions.

3. The purpose of criminal law is to frighten people into obeying the law.

4. According to contract law, in the event a vendor is not able to supply the total number of goods as per the contract, the vendor may deliver the amount he is able to, to complete the delivery of the contract.

5. The following states each have a Constitution: Sabah, Sarawak, Selangor.

6. The Hire Purchase Act 1967 is an example of a Substantive Law.

7. Public law embodies the relationship between members of public. This can be seen in the form of the Penal Code, Police Act and the Road Transport Act.

8. Stare decisis is an important concept in Malaysian law as it helps maintain and sustain justice. According to this concept, judges must follow the decisions of all the previous judges' decisions in similar cases in order to ensure all similar cases are decided alike.

9. Ali has decided to divorce his wife, Aminah. Aminah wants to claim sole custody of their 8 children. You advise her that she should go to the High Court as only the High Court has the necessary jurisdiction to hear this matter.

10. An agency is a relationship that subsists between a Principal and an Agent who has been authorised to act on behalf of the Principal to create a legal relationship with a Third Party.

11. The following are all considered goods under Sale of Goods Act: cellphone, watercolour brush, submarine, potted plants.

12. Possession is when a person legally owns some kind of goods.

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13. According to s. 42 of the Sale of Goods Act, a buyer is presumed to have accepted goods when: the buyer intimates to the seller that he has accepted the goods, the buyer does any act inconsistent with the ownership of the seller, or the buyer retains the goods for more than a reasonable time without telling the seller that he has rejected them.

14. Agency by ratification is formed when a principal and an agent expressly agree to enter into an agency agreement with each other.

15. The Hire Purchase Act regulates a type of contract.

SECTION B: MULTIPLE CHOICE QUESTIONS [15 MARKS]

(Indicate the correct option to answer the following questions.)

1. The law of agency in Malaysia is governed by _____.
   A. Contracts Act 1950.
   B. Hire Purchase Act 1967.
   C. Agency Act 1950.
   D. Sale of Goods Act 1957.

2. The Sale of Goods Act 1957 is the law that governs the transfer of _____ from the seller to the buyer.
   A. posession
   B. ownership
   C. goods
   D. services

3. An auctioneer's request for bids at an auction is _____.
   A. an offer.
   B. an invitation to treat.
   C. a promise.
   D. an advertisement.

4. Albus Dumbledore lost his case against Voldemort at the Magistrates Court. Dissatisfied with the decision of the Magistrate, Albus wishes to appeal. He should appeal to the _____.
   A. Sessions Court.
   B. High Court.
   C. Court of Appeal.
   D. Federal Court.

Continued...

5. Adrian proposes to sell his car to Shawn and Shawn accepts. Which of the following best describes their relationship?
   A. Proposer, acceptor.
   B. Proposer, acceptee.
   C. Proposer, proposee.
   D. Promisor, promisee.

6. Carlill v Carbolic Smoke Ball Company is a case on _____.
   A. offer can be made to the general public or world at large.
   B. bilateral offer
   C. invitation to treat
   D. auction

7. S. 2 of the Age of Majority Act 1971 provides that the age of majority in Malaysia is _____ years old.
   A. 16
   B. 21
   C. 18
   D. 25

8. *Nemo dat quod non habet* is a principle that covers situations where the _____ cannot transfer _____ to the buyer as he is not the lawful _____.
   A. seller; possession; owner.
   B. seller; property; owner.
   C. hirer; possession; buyer.
   D. seller; possession; buyer.

9. This is the highest court in the Malaysian Legal System.
   a. The Federal Court.
   b. The Supreme Court.
   c. The Yang Di-Pertuan Agong.
   d. The Privy Council.

10. Criminal law deals with _____ whereas civil law deals with _____.
   A. offences; liability.
   B. liability; offences.
   C. individuals; public.
   D. private individuals; state.

Continued...

11. There is a presumption in the following circumstances that parties intend to create legal relations in the following agreements **EXCEPT**:
    A. Mikael promises his wife Alice RM5,000-00 monthly.
    B. Prema promises to sell her guitar to Kelvin for RM3,000-00.
    C. Joycelyn proposes to sell her car to Theresa for RM70,000-00. Theresa pays a deposit of RM10-00.
    D. Hari offers to sell his laptop to Bavaani for RM2,000-00. The laptop is being delivered by DHL from Penang.

12. Which of the following is the element of a contract?
    A. Invitation to treat.
    B. Uncertain terms.
    C. Unlawful objects.
    D. Offer.

13. A criminal act may cause harm to some individuals and may be considered as offences against _____.
    A. victims.
    B. public.
    C. state.
    D. victims families.

14. Keishook offers to sell her Ipad to his coursemate, Hari for the sum of RM1,000-00. Hari informs him that "I will pay you RM1,000-00 when my father sends me the money." The following statement best describes this situation.
    A. There is a contract as there is valid offer and acceptance.
    B. The contract will be formed when Hari's father sends him the money.
    C. There is no contract as neither the offer nor the acceptance are in writing.
    D. There is no contract as the acceptance is not absolute.

15. Legislation refers to the laws created by _____ under the powers granted by the _____.
    A. Yang Di Pertuan Agong; Federal Constitution.
    B. Federal Constitution; Parliament.
    C. Parliament; Federal Constitution.
    D. Courts, Parliament.

SECTION C: ANSWER ALL QUESTIONS [70 MARKS]

QUESTION 1 [20 MARKS]

(a) Briefly explain the functions of law.

(10 marks)

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(b) Peter and Ahmad are neighbours. Last week, Peter accidentally knocked into Ahmad's front gate when returning home from work. Ahmad was gathering his children to go out to the park. As a result of the accident, Ahmad's front gate and walls were damaged and he had to spend RM10,000 to repair them. His children were also shocked by the incident and now are too frightened to leave the house.

Peter is intending to divorce his wife, Jane. Jane wants to claim the marital home worth RM1,000,000.

Advise both Peter and Ahmad as to the correct courts that have jurisdiction over their respective matters.

(10 marks)

QUESTION 2 [25 MARKS]

Suzy is a famous Korean singer and artist. Suzy's contract as Korean Pop (KP) will expire in 2 months. The company manager Mr. Lee sent a proposal letter to renew Suzy's contract on 01/11/2016. Suzy accepted the proposal letter to renew her contract with Korean Pop Pte Ltd by a letter and sent it by post on 05/11/2016. However, on the next day, Suzy received a proposal from Japanese Pop (JP) Suzy decided to revoke her acceptance and posted a letter of revocation to KP on 06/11/2016. Mr. Lee was on vacation and when he returned from his vacation on the 08/11/2016, he found there are 2 letters inside his post box. He read the revocation letter first and on the next day he read the acceptance letter.

(a) When the communication of the acceptance is complete as against Mr. Lee? State your reasons with supporting authorities.

(5 marks)

(b) When the communication of the revocation of acceptance is complete as against Mr. Lee? State the reasons with supporting authorities.

(5 marks)

(c) If Suzy is 17 years old, what is the status of the contract? State your reasons with supporting authorities.

(15 marks)

QUESTION 3 [25 MARKS]

Ali wants to buy a new car. However, he is low on funds and as a result does not have enough cash to purchase one without a bank loan. Advise Ali as to what kind of agreement he may make in order to get a bank loan. Advise him as to the nature of this agreement.

(25 marks)

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